G. R. S. IX-5]

Previous references.

Previous

1919-20

File No. 79-19

(Geol)

Serial Nos. 1-7

Later references.

Geol 57-20(i)
do (4454)
Geol 58-31 (1-9) 1912-19

(34)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-7

Part B for September 1920

SUBJECT.

Transfer of certain manganese properties in the Shimoga district to the Workington Iron & Steel Co Ltd & Stamp duty due to Govt in respect thereof.

Cy 5818 dy 13-9-20

To The Director of Mines & Geology

State that there is no objection to his addressing the Solicitors of the Workington Iron & Steel Co Ltd asking them to pay the sum of Rs 1850/- to the Mysore Govt as per agreement with Messrs Coates & Co Londn.

Copies to the Asst Geologist & the Deputy Commissioner, Shimoga District

WD 22 3—GPB—20,000—14-6-20

G. R. S. III—1] 1919. 20

GENERAL AND REVENUE SECRETARIAT.

(Govt)

NOTES.

File No. 79-19

FILE HEADING.

Transfer of certain manganese properties in the Bhimoga District to the Workington Iron & Steel Co Ltd. & Stamp duty due to Govt in respect thereof

From

The Director of Mines & Geology.

No. 462 Dated 11/12-4-20 Received 14-4-20

Diary No. 17748	Enclos. 16 ils. Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards the file of papers relating to the transfer of certain manganese properties in the Bhimoga district to the Workington Iron & Steel Co Ltd & requests orders in the matter of the amount of Stamp duty recoverable from same by Govt.

NOTES AND ORDERS.

Assistant Secretary.

Please put up previous references and consult Govt Advocate at once.

(Sd) C.S.B.
12-4-20.

(Sd) DCL

Submitted
AAS
14-4-20

NOTES—First Sheet.

[G. R. S. III-2]

General and Revenue Secretariat.

Jco (File No. 79 of 1917.20

17748

2

Serial No.

R.O. 201 15/4/20

CHIEF SECRETARIAT 2 APR 1920

2029

R.O.7.83/19-20

11/4/20

2. Forwarded with compliments to the Govt. Advocate for favour of opinion.

By Order,
D.C. Subbaraya Appa,
For Chief Secy. to Govt.

14/4/1920

3. We must first obtain Copies of the Conveyances on Sale that passed between the New Mysore Manganese Co and the Workingston Iron Co in pursuance of the agreement of sale dated 19th Jan. 1909 (Paper marked C) and between Workington Iron Co & Workington Iron & Steel Co These papers are necessary for determining the Stamp duty payable in this Case

16.4.20

4. Submitted with a draft.

Attd 19-4-20.

S. Ssone 19/4/20.

2

To The Director Dept. of Mines & Geol.

G. O. 414/18 dt 22.4.20

Calls for 2 copies of the Conveyance on Sale that passed between the New Mysore Manganese Co and The Workington Iron Co in pursuance of the agreement of sale dt 19.1.1909 and between Workington Iron Co and Workington Iron & Steel Co

CHIEF SECRETARIAT. IV JUDICIAL Depts. 17 APR 1920

SECRETARIAT. IV JUDICIAL Depts. 26 APR 1920

Note Contn. sheet.

Draft

Serial No.	
3.	From the Director of Mines & Geology No 112 dt 10-5-20. Forwards a copy of his letter addressed to the Solicitors of the Workington Company requesting them to furnish copies of documents ~~called for~~ referred to. and states that the receipt of their reply may be awaited 6 Submitted The further communication on the subject may be awaited, if approved AAS. 13-5-20. Yes DCS 14/5/20.
4	From the same Office No 126 dt 21-7-20 States that the copies of the documents referred to have not been forwarded by the Solicitors of the company & that, if the proposal referred to in the last paragraph of the letter is approved, the Solicitors will be requested to pay the amount due to Govt & the existing leases allowed to stand. 8 Assistant Secretary Please get references, go through the papers and bring them up for a personal discussion on Monday next (Sd) C S B 22/7 Please consult for brief vocalis VK

NOTE—Contn. sheet.

1304
19836
17748

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 79 of 1919-20

Serial No.

Ho. No. 37
29.7.20

Sr. one file 7 papers herewith

C. Secy.
Ho. Dept 9/20-21
2.8.1920

10 Re-transmitted, with compliments, to the Govt. Advocate in Mysore for favour of opinion.

By Order,

D.C. Subbarayappa,

29/7/20. For Chief Secy. to Govt.

11 In the circumstances brought to notice in Dr. Smeeth's letter, his suggestion is about the best that could be adopted - on the supposition that the sale amount was presumably that which was agreed to be paid under the agreement of 19.1.09, viz £ 185.000. The Solicitors may be asked to pay the requisite stamp duty, which as per art: 22 of Sch I of the Mysore Stamp Reg^n. will be 1% on the said sum

30.7.20

CHIEF SECRETARIAT. IV MINOR Depts. 4 AUG 1920

Submitted for orders.

4-8-20 12 The stamp duty payable according to the above opinion will be £ 1,850. As this amount became payable in the year 1909, it stands to reason that its value in Indian currency should be calculated at Rs. 15 per pound sterling.

13 It is also a matter for consideration whether any interest should be charged on the above amount from the year from which it became due.

5/8/20.

14 We need not enter into this

15 Not necessary I think

NOTE—Contn. sheet.

(Chief Secy.) 1st member

265
10/8

1304
19336
17748

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 79 of 1919-20

Serial No.	
	4b Should suffering be accepted £1850 - was asked Mr Laird 9/11/8 17 Draft accordingly.
Mr. Attlee	18 Submitted with a draft dcs 13/8/20. Attlee 14-8-20. 19 Issue dcs 14/8/20
5	To, The Director of Mines & Geology. G. 3939 dt 18/8/20. Directs States that the Govt agree with the opinion that the Workington Iront Steel Company should be requested to pay the Stamp duty on the original agreement of 19th January 1909 & requests that to address the Solicitors of the said Company to arrangement for the above payment of the Stamp duty.
6.	From the Income office. No 189 Dy 18/19-8-20. States for reasons given that he may be allowed to request the company to pay the sum of £ 1850 to the Ilysore Govt Account with Messrs Coutts & Co as a sort of fine on the whole transaction. 20 Assistant Secretary, Mines Depttt (Mr Lovell)

NOTE—Contn. sheet.

2870
1364
19336

6

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 79 of 1919-20

Serial No.

Was it not made clear in the order that only £.1850 at present rates of exchange need be paid.

(Init) C.S.B.
20/8.

21 Submitted with connected papers. A draft approving the proposal is put up.
AHS
20-8-20.

22 For approval
Chief Secy)
21/8/20.

23 Dewan
24
31/8/20

25 Issue
7/9/20

7 To the Director of Ellenel + Geol
S. 5815 dt 13.9.20
States that there is no objection in his writing to the Solicitors of the Company to pay the sum of £ 1858 to Govt. with interest Courts &c

S. 5816 dt 13.9.20
Forwards a copy of DC) to the Comptroller + Govr

S. 5817 dt 13.9.20
Forwards a copy dt DC) to the Deputy Commr. Shimoga for information

DEWAN'S OFFICE.
Recd. on SEP 1 1920
Reg. No. 2270

CHIEF SECRETARIAT.
IV
MINOR Depts.
23 SEP 1920

NOTE—Contn. sheet.

7

5, St. Mark's Road,

D.M.G.[12].

BANGALORE, 11th April, 19 20

No. 44 [illegible] file separately

DIARY NO. 17748

Geol 79-19-1

FROM DR. W. F. SMEETH, M.A., D.Sc., A.R.S.M., etc.,
Director, Department of Mines and Geology,
Mysore State.

To C. S. Balasundram Iyer, Esq., B.A.,
Chief Secretary to the Government of His Highness
the Maharaja of Mysore, Bangalore.

SIR,

I have the honour to forward for information and orders of Government Geological File No.40 of 1908-9 relating to the transfer of certain Manganese properties in the Shimoga District to the Workington Iron and Steel Coy.

The attached Office Notes gives the details of the case which briefly is as follows:-

In 1909 the New Mysore Manganese Company asked permission of Government to transfer their Manganese Licenses to the Workington Iron Company.

They forwarded a copy (paper C) of an agreement for the sale and purchase of these properties and other matters and were informed that Government were prepared to consent to the proposed transfer and that the document of transfer should be duly stamped

Subsequently the Workington Iron Coy. amalgamated with several other Companies into a new concern, called The Workington Iron and Steel Company, and asked Government to consent to the transfer of the properties from the New Mysore Manganese Coy. direct to the Workington Iron and Steel Coy. (Paper A.), Government agreed to this (paper F) and the solicitors were requested to have the document of transfer duly stamped and registered and

and to furnish copies for record.

The Solicitors informed me in September 1909 (paper I) that they were taking up the question of Stamp Duty with the Commissioner of Stamps in Mysore and since that time nothing further appears to have been done in the matter.

Last year, in connection with another matter, I asked to see the transfers and found that they had not been received. I accordingly wrote to the Solicitors to the Workington Iron and Steel Coy. to ask what had been done and from the correspondence in the File I gather that the Commissioner of Stamps wrote to the Solicitors in November 1909 directing them to consult the Deputy Commissioner of Shimoga.

That letter does not appear to have been received by the Solicitors and the transfers do not appear to have been either drawn up or stamped.

I regret that the non-receipt of these transfers was not brought to my notice long ago when necessary action might have been taken to expedite them. The question for consideration is what is to be done now.

The documents in question would be transfers of certain Prospecting Licenses from the New Mysore Manganese Coy. to the Workington Iron and Steel Coy. but if they have not been executed it, probably, is not possible to have them executed now as the New Mysore Manganese Coy. in existence.

If this is so I would suggest either:-

(a) that the Workington Iron and Steel Coy. should have the original agreement of transfer (attached to paper C) which was submitted to and approved by Government, executed or

(b) that as the document is so old and both parties

parties to the transaction have merged their rights in the Workington Iron and Steel Coy., the Deputy Commissioner of Shimoga might be requested to assess the stamp duty on the document and the Company asked to pay it.

I do not know what the stamp duty is likely to be.

The agreement mentions a total consideration of £.185,000/- of which £.35,000/- represents a Debenture debt and £.150,000/- is the purchase price of the Prospecting Licenses, Ore in transit, Railway, Depots, &c. &c.

The only thing we can claim is stamp duty on the consideration paid for the Prospecting Licenses but this item is not separately stated.

The Solicitors may object to paying stamp duty on the total consideration mentioned in the agreement and in their letter of 30th September, 1909 to the Commissioner of Stamps, Bangalore, (Paper I) they assume that no stamp duty is payable on those portions of the Undertaking which can pass by delivery. I do not know what that means but as the Solicitors, in their letter of 19th January 1909 (paper C), expressed their intention of sending this agreement out here to be stamped and also agreed to pay the stamp duty, it seems to me that the first step is to request the Superintendent of the Workington Iron & Steel Coy. to submit his copy of the agreement to the Deputy Commissioner of Shimoga and obtain that Officer's decision as to the Stamp duty payable thereon after which the Solicitors may be informed of his decision and requested either to have the original stamped or, as already suggested to pay the amount of the stamp duty as a sort of fine on assignment. I am therefore addressing the Superintendent and requesting him to have the stamp duty assessed.

On the last page but one of the Office Note it is suggested that as the property of the Workington Iron Coy was handed over to the Workington Iron & Steel Coy. for £.570,000/- in shares, stamp duty should be levied on this amount.

Obviously this is not the case. It is properly speaking not a purchase but an amalgamation in which various Companies combined and took shares representing their respective interests and apart from this the £.570,000/- represents the whole of the Plant, Works, &c., of the Company both in England and here and has no relation to the value of the Prospecting Licenses which were transferred.

I have the honour to be,

Sir,

Your most obedient Servant,

Director,
Department of Mines and Geology.

M.G.D.2]

OFFICE NOTES

Page.

File No. 40 of 1908-09

Subject

Stamp and registration fees payable on deeds of transfers of the mining properties in Mysore held by the Workington Iron & Steel Co.,Ld.

There are at present one or two outstanding matters in respect of the mining properties in the Shimoga District held at present by the Workington Iron & Steel,Co.,Ld., Viz., the execution of ~~the~~ regular documents of transfers of the properties from the original holders and their stamping and registration.

The New Mysore Manganese Co.,Ld., were the last recognised holders of the properties in question before they came into the possession of the Workington Iron & Steel Co., Ld. In November 1908, the Chairman of the New Mysore Manganese Co. applied for the consent of Government to the transfer of the various mineral properties in Mysore to the Workington Iron Company Ld,,. ., and the New Mysore Manganese Co., were with the sanction of the Government of India, informed in February 1909 that the Government were prepared to consent to the proposed transfer and that it was necessary that an agreement of sale should be duly executed and stamped in Mysore, a copy of the same being submitted to Government for approval before stamping. A copy of an agreement, dated 19th January 1909 was accordingly sent by Messrs. Brown Arnold Brown,Solicitors

Paper A.

Paper B

Paper C

Subject

Paper D

to the new Mysore Manganese Company and the approval of the same by Government was communicated to them on 10th May 1909, with a request that the document might be duly stamped and a certified copy sent to Government for information and record.

Shortly afterwards, it was reported by the Solicitors, Messrs. Brown Arnold Brown, in June 1909 that the Workington Company amalgamated itself with certain other Companiesi into a New Company called the Workington Iron & Steel Company, Ld., and a request made that the transfer of the properties might be made direct to the New Company. Thereupon the Government (with the assent of the Honourable the Resident in Mysore) accorded their sanction to the transfer of the New Mysore Manganese Co's prospecting licenses direct to the Workington Iron & Steel Co.,Ld., and it was required that steps should be taken to have the transfers effected "under documents duly stamped and registered in accordance with the Mysore Stamp and Registration Regulations" and duly certified copies of such documents should be submitted to Government for record. (Vide letter No.358, dated 10th August 1909 to Messrs.

Paper E

Paper F

Subject

Brown Arnold Brown, Solicitors to the two Companies).

In a letter (without date) received on 27th September 1909, the Solicitors intimated that they would write to the Commissioner of Stamps in Mysore on the question of the Stamp duties and argued that the transfer ~~of~~ by the New Mysore Manganese Co. to the Workington Iron [illegible] Co. was only one of a series of many transactions which all the Companies forming the New Combine had to complete in order to get together all the interests and assets which the New Combine required and that therefore duties on two transfers could hardly be insisted upon by the Government. In a later letter, dated 16th September 1909, received on 4th October 1909, they again stated that they were looking into the question of Stamp duty, that one transfer from the New Mysore Manganese Co., and its Liquidator and the Workington Iron Co. and its Liquidator joining and assenting, was all that was necessary and that they were not able until they saw the balance sheet of the Workington Iron Company, dated 30th June 1909, to form an idea of the amount on which the Stamp duty would have to be assessed. A

Subject

Paper I

copy of the balance sheet was also sent to this office and is in the file. There is also in the file a copy of a letter, dated 30th September 1909, from the Solicitors to the Stamp Commissioner in Mysore, containing their argument referred to above and the further argument that "no stamp duty is payable on those portions of the Undertaking which can pass by delivery" and requesting to be furnished with the views of the Stamp Commissioner in the matter. It was also stated in that letter that the Stamp Commissioner's views were required for the preparation of the transfer deed, its execution and stamping.

Paper 4

In anticipation of the execution, stamping and registration of the documents of transfers in accordance with this office letter No.358, dated 19th August 1909 to Messrs. Brown Arnold Brown and the submission of certified copies thereof for record with the Government, the sanction of Government to the transfer of the licenses from the New Mysore Manganese Co., to the Workington Iron and Steel Co., direct, was endorsed on the several licenses in December 1911, but no further steps have as yet been taken by the Companies concerned to fulfil

 their

Subject

their obligations in the matter as required in the aforesaid letter of 10th August 1909. In May 1919, the Commissioner of Stamps was written to by this office in order to ascertain what reply, if any, was sent by him to the Solicitor's letter of 30th September 1909 and he has sent us a copy of his letter to them, dated 6th November 1909, which shows that he referred them to the Deputy Commissioner, Shimoga, who is the proper authority to adjudicate the Stamp duty. The Solicitors to the Companies who were also addressed at the same time and were called upon to take very early action in the matter have not as yet sent in a reply. The Superintendent of the Workington Iron and Steel Co., who was also communicated with in the matter, has sent us a copy of a letter, dated 19th September 1919, received from their Commercial & General Manager in which it is stated that Messrs. Brown Arnold Brown never received a reply to their letter of 30th September 1909 to the Commissioner of Stamps.

Paper J

Paper K

The question now for consideration is what further action has to be taken in the matter. There have been two distinct t

GPB—1,500—26-8-08

Subject

transactions - Viz.-

(1) the sale of the properties by the New Mysore Manganese Company to the Workington Iron Co.,Ld., under the deed, dated 19th January 1909, the purchase money as stated therein being £ 185,000/- and

(2) the subsequent transfer of the properties from the Workington Iron Co. to the Workington Iron & Steel Co., under the scheme of amalgamation referred to in letter, dated 25th June 1909, from the Director Workington Iron Company.Ld. According to this scheme "the Workington Iron Company were to get fully paid shares of the value of £ 570,000/- in the New Company" in satisfaction of purchase money." (Vide paras 3 & 6 of the Scheme - Paper D). It is not clear why, in spite of the fact that the purchase money for this transaction had been distinctly stated to be £.570,000/-, a reference to the balance sheet had to be made, as mentioned in the Solicitor's letter, dated 16th September 1909, for the purpose of assessing stamp duty.

Paper L.

There do not appear to exist any satisfactory grounds in support of the contention of the Solicitors that because the transfer by the New Mysore Manganese Co. to the

GPB—1,500—26.8.09

Subject

Workington Iron Co., was only one of a series of many transactions which all the Companies -forming the New Combine had to complete, in order to get together all the interests and assets for the New Combine, the payment of the stamp duty on both the transfers should not be insisted upon. It cannot also be understood how in spite of the fact that the Workington Iron Co., was also to get for the transfer a "purchase money" in the form of shares of the value of £ 570,000/- in the Workington Iron & Steel Co.,Ld., the Solicitors take the view that no stamp duty is payable on what they state to be "those portions of the Undertaking which can pass by delivery".

Inasmuch as there have been two distinct transactions in each of which there has been a "purchase money" paid to the transferor, stamp duty appears to be payable on both of them. It may not perhaps be possible for the deeds to be executed, stamped and registered at this distance of time, but the stamp duty leviable and the registration fees may, if approved, be assessed and recovered from the parties in settlement of the claims against them.

GPB—1,500—26-8-08

M.G.D.2]

OFFICE NOTES

File No. of

Subject

The question may, if approved, be referred to the Deputy Commissioner, Shimoga and the Government Advocate for opinion.

Submitted to the Director of Mines and Geology, as ordered personally.

8.4.20.

9.4.20

GPB—1,500—26-3-06

WORKINGTON IRON & STEEL CO. LTD.

NEW MYSORE LICENCES

Copy/

ABSTRACT of correspondence relating to the Mysore Government's consent to the Assignment of the Licences held by the New Mysore Manganese Co. Ltd. received from Messrs Brown Auld & Brown.

6th Nov.1908. The New Mysore Coy applied to Dr. Smeeth for consent to transfer Licences to the Workington Iron Co.

26th Nov.1908 The like application was made by us after the winding up resolutions of the New Mysore Co. had been passed

24th Decr.1908 Dr. Smeeth wrote to us that the agreement for the sale by the New Mysore Coy. to the Workington Iron Coy should be duly stamped in accordance with the Mysore Stamp Regulations

12th Jany. 1909 We wrote to Dr. Smeeth that in our opinion stamping was not necessary

13th Jany 1909 The New Mysore Co. wrote to us that they must submit to the Mysore Stamp Regulations

19th Jany 1909 We wrote to Dr. Smeeth that the New Mysore Co. would comply with the stamping regulations and if he wished, it would give an undertaking to pay the duty

4th Feby.1909 Dr. Smeeth wrote to us that the Maharaja was prepared to consent to the Assignments of the Leas Licences.

12th Feb.1909 We wrote to Mr. Smeeth suggesting that the leases be made direct to the Workington Iron Co. Ltd.

10th May 1909 Dr Smeeth wrote to us referring to our letter of the 19th January 1909 and a copy of the agreement for sale which accompanied that letter and requested that it be stamped.in Mysore.

24th June 1909 We wrote to Mr. J. V. Ellis with a copy of Dr. Smeeth's letter of 10th May and suggested that the question of stamping be put into the hands of Mr Doubble.

24th June 1909 We wrote to Dr. Smeeth acknowledging his letter of the 10th - informed him of the arrangement for the sale to the Workington Iron & Steel Co Ltd. and asked that the licences might be transferred direct to the New Coy.

22nd July1909 Dr. Smeeth notified the Maharaja's consent to the transfer to the Workington Iron & Steel Co. Ltd. and added that the transfers of the licences must be made out and stamped in accordance with the Mysore Stamp regulations.

30th Sep.1909 We wrote to the Commissioner of Stamps at Bangalore for his views as to the amount of the stamp duty.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,
( )
, the , 191 .

Date of issue.....

Signed by.....

Section Geol
File No. 79-19
Serial No. 9

No. G 24118

To

The Director, Dept of Mines & Geology

Sir,

With reference to your letter no 442 dated 11/12th April 1920 forwarding the file of papers relating to the transfer of certain manganese properties in the Shimoga District to the Workington Iron & Steel Co Ltd and requesting orders of Govt in the matter of the amount of Stamp duty recoverable by Govt, I am directed to request that copies of the conveyances or sale that passed between the New Mysore Manganese Co and the Workington Iron Co in pursuance

over. P.T.O.

of the agreement of sale dated 19-1-1909
(vide page) marked C in ~~the enclosed file~~ file No. 40 of 1908-09 enclosed).
and between Workington Iron Co and
Workington Iron & Steel Co may be kindly forwarded
for reference at an early date.

The file of papers received with your letter
is forwarded herewith for reference & retransmission
with your reply.

Thanks

DCS
19/4/20.
Archer Secretary to Govt

WG 9/4/20

List of enclosure

Copied by

Examined by

WD 86—GPB—60,000—15-11-16

D.M.G. 12].

Camp Kemmangundi,

No. 117

Santaveri P.O., [illegible], 10th May, 1920.

19336.

DIARY NO.

Geol 79-19-3

CHIEF SECRETARIAT.
IV
MINOR Depts.
MAY 1920

FROM

DR. W. F. SMEETH, M.A., D.Sc., A.R.S.M., etc.,
Director, Department of Mines and Geology,
Mysore State.

To

C. S. Balasundram Iyer, Esq., B.A.,
Chief Secretary to the Government of Mysore,
BANGALORE.

SIR,

With reference to your letter No.G.24118/Geol.79-19-2 dated 22-4-1920 regarding the transfer of the properties of the Workington Iron and Steel Coy., I have the honour to enclose for your information copy of a letter which I have addressed to the Solicitors of the Company and I presume we must await their reply before further action can be taken.

I have the honour to be,

S i r,

Your most obedient Servant,

W F Smeeth

Director of Mines and Geology.

Camp Kemmangundi,

Santaveri, P.O.,XXXXXXXX 10th M a y, 20.

Head Quarters - Bangalore.

Messrs. Johnson, Weatherall, Stuart & Hardy,
Solicitors, Kings Bench Walk, Temple,
L O N D O N, E.C.4.

Gentlemen,
xxx

With reference to your letter dated the 16th of October 1919 regarding the transfer of Prospecting Licenses from the New Mysore Manganese Coy. to the Workington Iron Coy., and the subsequent transfer from the Workington Iron Coy. to the Workington Iron and Steel Coy., I have the honour to state that I have been in communication with the Superintendent of the Workington Iron & Steel Coy. at Shimoga and he informs me that he has not got any documents relating to the transfer of these properties with the exception of a copy of the Agreement made the 19th day of January 1909 between the New Mysore Manganese Coy., and the Workington Iron Coy.. It was originally intended that that document should be stamped a n d registered in Mysore and I have asked the Superintendent to have the duty thereon assessed by the Deputy Commissioner of Shimoga. As stated in my letter No.412 dated the 14th of August 1919 the Government agreed to the properties being transferred direct from the New Mysore Manganese Coy. to the Workington Iron & Steel Coy. and ordered that documents of transfer should be duly prepared, stamped and registered in Mysore and copies forwarded to Government for record. I am still uncertain as to whether these documents have been prepared but certainly no copies have been received here

here nor that any stamp duty appears to have been paid.

I shall be glad if you will inform me definitely whether any documents of transfer are in existence and if so, to forward copies of the same for information of Government.

The whole question has now been referred to Government and they have requested that copies of the Conveyances of sale that passed between the New Mysore Manganese Coy. and the Workington Iron Coy., in persuance of the Agreement of sale dated 10th of January 1909 and also copies of the Conveyances between the Workington Iron Coy., and the Workington Iron and Steel Coy. may be forwarded for information of Government at a very early date.

In your letter of the 16th of October 1910 you asked me to send you a statement showing exactly what amount of duty is claimed by Government in respect of each Licence and which is outstanding. It is not possible to do this as the amount of duty depends on the consideration received for the transfer of the properties and the duty cannot be assessed until the Conveyances have been received.

I am to request you to treat this matter as very urgent and to have the whole matter cleared up as soon as possible and I am to point out that the title of the Workington Iron & Steel Coy. to their properties in the Shimoga District was made contingent on those properties being duly acquired by them from their predecessors by Documents of Transfer duly stamped and registered in Mysore.

I have the honour to be,
Gentlemen,
Your most obedient Servant,

Director of Mines and Geology.

No 126

Enclosure 1 file in Letter.

5, St. Mark's Road,

Bangalore, 21st July 1920.

From

Dr. W. F. SMEETH, M.A., D.Sc., B.E., etc.,

Director of Mines and Geology in Mysore,

CHIEF SECRETARIAT IV MINOR Depts. 22 JUL 1920

To

C. S. Balasundram Iyer, Esq., B.A.,

Chief Secretary to the Government of Mysore,

B A N G A L O R E.

DIARY NO. 1304

Gobl 79-19-4.

S i r,

I have the honour to enclose, in original, a letter dated 2nd June 1920 from Messrs. Weatherall, Sturt and Hardy on the subject of the transfers of Licenses to the Workington Iron and Steel Coy. This letter is in reply to my letter No.109/C dated 10th May 1920 in which I requested that copies of the Conveyances of Sale between the New Mysore Manganese Coy. and the Workington Iron Coy, and between the Workington Iron Coy. and Workington Iron and Steel Coy should be forwarded for information of Government. (vide attached File No.40 of 1908-09). These have not been forwarded.

Flag "C"

The enclosed letter refers to the two Leases, for the Kumsi and Shankargudda Blocks which the Workington Iron and Steel Coy. now hold and which were granted in 1913 and the Solicitors appear to think that as these Leases were received direct from Government and were in supersession of t h e transferred Prospecting Licenses no further claims remain to be satisfied.

It is also obvious that the documents transferring the Prospecting Licenses from the New Mysore Manganese Coy. to the Workington Iron and Steel Coy. have never been either prepared or stamped as required by Government when consent to the transfer was sanctioned.

Flag F

The history of the case has been related in my letter to you No.442 dated 11th April 1920.

The salient points are the following:--

(1) Certain Prospecting Licenses were in possession of the New Mysore Manganese Coy.

(2) In 1909 the Company asked Government to consent to the transfer of the Licenses to the Workington Iron Coy. and forwarded a copy of an agreement of sale dated 19th January 1909.

(3) Government agreed to the Transfer and requested that the Agreement should be stamped in Mysore.

(4) The Solicitors of the Company wrote to the Commissioner of Stamps regarding the Stamp Duty and he referred them to the Deputy Commissioner, Shimoga.

(5) The Solicitors of the Company state that they received no reply from the Commissioner and so did not take further action.

(6) In the meantime -- in 1909 - it was arranged that the Workington Iron Coy. should enter a combine called the Workington Iron and Steel Coy. and the Solicitors requested ~~the~~ sanction of Government to transfer the Prospecting Licenses direct from the New Mysore Manganese Coy. to the Workington Iron and Steel Coy.

(7) Government sanctioned this transfer and ordered that the documents of transfer should be duly stamped in Mysore and copies furnished. The Solicitors had requested very early sanction owing to the necessity of vesting the properties in the new combine and undertook to pay the Government stamp duties.

(8) The documents of transfer have not been prepared nor has any stamp duty been paid. The documents cannot be prepared now as the New Mysore Manganese Coy. is not in existence.

(9) The transfer of the Licenses to the Workington Iron and Steel Coy. and the grant of the two existing Leases under the ordinary provisions of those licenses must be regarded as contingent on the Company fulfilling their obligations in regard to payment of stamp duty, &c. It was only to meet the urgent request of the Solicitors that Government consented to the transfer of the properties before the documents of transfer were duly stamped and copies furnished and the transfers made and leases granted thereunder do not relieve the Company from their liabilities.

(10) As the documents of transfer have not been prepared and cannot now be prepared and stamped, I suggest that the simplest and shortest procedure is to request the present Company to pay the stamp duty on the original agreement of 19th January 1909 between the New Mysore Manganese Coy and the Workington Iron Coy., a copy of which is in the attached file. This states a total consideration of £.185,000/- for the properties owning by the New Mysore Manganese Coy. and would have been stamped if the Companies had not asked for a transfer direct to the Workington Iron & Steel Coy. The amount specified is considerably in excess of the value of the Licenses transferred but the Companies have only themselves to thank if they have not prepared fresh documents showing the con-

Flag A

consideration to be paid for the Licenses transferred.

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(11) In my letter No.443 dated 11th April 1920 I asked the Superintendent of the Workington Iron & Steel Coy: to ascertain from the Deputy Commissioner, Shimoga, the Stamp duty payable on the agreement of the 19th January 1920. Mr. Valentine has not replied and is now on leave. He informed me personally, before he left, that the Deputy Commissioner held that the Document could not now be stamped as it was too old and that the rate of stamp duty would be 1% of the consideration. In regard to this please see page 3 of my letter to the Chief Secretary No.442 dated 11th April 1920.

Flag O

In regard to the above points there have been faults both on the side of the Solicitors of the Company and of the Geological Department in not taking notice of the fact that copies of the documents of transfer had been duly received.

Orders of Government are requested as to what further action should be taken. If my proposal is agreed to,-viz., to take the assessed stamp duty in the agreement of 19th January 1909 as a sort of fine on assignment - the amount of t h e stamp duty may be assessed by a competent authority and t h e Solicitors requested to pay it and the existing Leases allowed to stand.

I have the honour to be,
S i r,
Your most obedient Servant,

Director of Mines and Geology.

Letter No.G.3939/Geol.79-19-5 dated the 18th August 1920 from the Chief Secretary to Government to the Director of Mines and Geology.

*****

With reference to correspondence ending with your letter No. 126 dated the 21st July 1920, I am directed to say that Government agree with you in the opinion that the Workington Iron and Steel Company, Limited, should be requested to pay the stamp duty on the original Agreement of 19th January 1909 between the new Mysore - Manganese Company and the Workington Iron Company, the total consideration for the said agreement being taken at £ 185000. I am accordingly to request you to be so good as to address the solicitors of the said company asking them to arrange for the payment of a sum of £1850 on account of stamp duty at one per cent of the above - amount as per article 22, Schedule I of the Mysore Stamp Regulation.

2.The file of papers received with your letter under reference is herewith returned.

******

" C O P Y "

For Chief Secretary to Government.

KNN

G.R.S. 26]

Geol File No. 79-19

Serial No. 5

Diary No. of letter replied to _____

No. G 3939

General and Revenue Secretariat

( )

, *the* 19

To

The Director of Mines & Geology

Date of issue 18/8

Signed by

Sir,

With reference to correspondence ending with your letter no. 1-26 dated 21st July 1920, relating to the question of stamp duty recoverable in respect of the transfer of certain manganese properties in the Shimoga District to the Workington Iron & Steel Company, I am directed to state that, under the circumstances represented, the sum of £ 185000/- might be taken to be the sale amount as agreed to be paid under the agreement of 19-1-1909 and the solicitors asked to pay a sum of £ 1850/- as stamp duty under as per art 22 of Sch I of the Mysore Stamp Regulation.

The file of papers received with over. P20

I am directed to say that Govt. agree with you in the opinion that the Workington Iron & Steel Company, Limited, should be requested to pay the stamp duty on the original Agreement of 19th January 1909 between the new Mysore Manganese Company & the Workington Iron Company, the total Consideration for the said agreement being taken at £ 185,000. I am accordingly to request you to be so good as to address the Solicitors of the said Company asking them to arrange for the payment of a sum of £ 1,850 on account of Stamp duty @ one per cent of the above amount as per Article 22, Schedule I of the Mysore Stamp Regulation.

SUBJECT.

your letter and reference is herewith returned.

I have etc

14/8/20.

for Chief Secretary Govt.

14/8/20

List of enclosures,

Copied by

Examined by

GPB—6,000—1.5.09

No 189 as they had was it intended that clear in the order that only 1830 £ at present rate of exchange need be paid. 2870 1L Geol 79-19-5 1914

5, St. Mark's Road,
Bangalore, 18th August, 1920.

From

Dr. W. F. SMEETH, M.A., D.Sc., B.E., etc.,
Director of Mines and Geology in Mysore,

CHIEF SECRETARIAT IV MINOR Depts. 20 AUG 1920

Subd In the absence of instructions to the contrary, it was thought the Director would presume that the amount was payable at current rates of exchange. 21/8/20.

To

C. S. Balasundram Iyer, Esq., B.A.,
Chief Secretary to the Govt. of Mysore,
Bangalore.

S i r,

With reference to your letter No.G.3939 dated 18-8-1920 I would like to state for information of Government that I saw the Deputy Commissioner when I was at Shimoga about this matter. He said that the Stamp duty on such a document would be calculated at 1% of the total consideration but he wanted to calculate it in Rupees and calculate the Rupee at s.1/4d. on £.1,850/-. This would work out at about Rs.27,700/- which at the current rate of Exchange viz., s. 1/10d. would mean that the Company would have to pay about £.2,540/- instead of t h e original amount of £.1,850/-.

I do not think it would be quite fair to charge the Company this large extra amount due to the change in Exchange, particularly in view of the fact that the sum of £.1,85,000/-, which was the consideration mentioned in the Agreement, involved a very large number of items such as, cost of their Railway, Stores, Buildings, Shipping wharfs and ore in transit which did not form a legitimate portion of the consideration for which the actual Mining Licenses were transferred. In other words had the transfers of the Licenses been drawn out at the time of transfer, as requested by Government, the consideration payable on those transfers would have been very much less than £.1,85,000/- - probably not more than half this amount.

It is the fault of the Company if they did not take

take advantage of this fact at the time, and draw up proper documents of transfer of the Licenses stating the consideration to be paid for each and as we cannot now find out what that consideration would have been we are forced, I think, to fall back upon the total consideration mentioned in the Agreement of 1909 which we originally approved of.

Under the circumstances I think we have no alternative but to charge the Company 1% upon this total amount which is the only figure we have to guide us, and which, as I have pointed out, is very much in excess of what the legitimate consideration for the Licenses should have been. I would suggest therefore that I may be allowed to request the Company to pay the sum of £.1,850/- to the Mysore Government account with Messrs. Coutts & Co., as a sort of fine on the whole transaction and that we should not endeavour to exact from them an additional amount in virtue of the change in the rate of Exchange.

I have the honour to be,

S i r,

Your most obedient Servant,

Director of Mines and Geology.

G.R.S. 26]

719

Diary No. of letter replied to _____

Gsol **File No.** 79-19

Serial No 7

No. G5815 Genl

General and Rev. Secretariat
( )
, *the* 190 .

To

The Director of Mines & Geology

Sir,

In the circumstances explained in your letter no 189 dated 18/19th August 1920, I am directed to inform you that Govt have no objection to your addressing the Solicitors of the Working Iron & Steel Co' Ltd asking them to pay the sum of £ 1850/- to the Mysore Govt account with Messrs Coutts & Co, London.

I have etc

Date of issue 13/9

Signed by [illegible]

dcs 24/8/20.
for Chief Secretary to Govt

Memo. G5816 dated 24.8.20

A copy of the above together with that of letter no Cy-3939/Gsol 79-19-5 dated 18th August 19 on the same subject is forwarded to the Comptroller to Govt for information.

By order

dcs 24/8/20.
for Chief Secretary to Govt

over.

SUBJECT.

Copies of the above to the Director of Mines & Geology

G5817 dated 13/9